



krungsri
Asset
Management

A member of MUFG
a global financial group

Weekly Market Report For : 15 – 18 October 2024



Overview

- S&P500 and Nasdaq ended higher. Earnings reports caused volatility.
- TSMC reported blockbuster results, upgraded revenue forecasts by 30%, and boosted tech stocks.
- Oil prices plunged 7% due to weak demand from China and IEA cut oil demand forecasts.
- Gold prices rose, driven by Fed rate cuts cycle, uncertainties about US election and Middle East tensions.
- BOT lowered its policy rate, SET index rose.
- China GDP grew more than expected in 3Q24, but slowing from 2Q24 as property sector remains in trouble.



Market Brief

- US stock markets closed a volatile week higher. S&P500 +0.9% and Nasdaq +0.8% from the previous week.
- Markets were mainly driven by earning reports.
 - ASML's earnings beat estimates, but it booked orders for ASML machines was lower than expected and the company lowered its 2025 sales outlook, fueled a widespread chip stock sell-off.
 - However, at the end of the week, TSMC posted revenue and earnings beat analysts' estimates, and lifted its earnings projections for 2024 by 30%. As a result, shares of semiconductor and AI rebounded as TSMC's upbeat earnings restored investor faith in the AI boom.
 - Netflix reported revenue and earnings that beat expectations. New subscribers increased more than expected. It projected revenue growth of 11 – 13% in 2025. Tech stocks climbed after upbeat Netflix's results.
 - Goldman Sachs, Citigroup, Bank of America and Morgan Stanley earnings beat analysts' estimates.
 - 75% of more than 70 companies in S&P500 companies that have reported quarterly results have beat estimates for third quarter 2024.
- Overall US economic data remains robust. September's retail sales increased more than expected and initial jobless claims fell more than expected, paving the way toward a soft landing. Market expected Fed to announced two more 25bps rate cuts by the end of 2024.
- Oil prices plunged 7% from last week as demand from China remains weak. China's crude oil imported fell for the 5th consecutive month in September. IEA cut global oil demand growth view, mainly due to weaker than expected demand from China. OPEC also revised its 2024 oil demand projections downwards. In addition, oil supply fears faded as Israel said it would avoid targeting Iran's nuclear and oil facilities.
- Gold prices gained, bolstered by expectations on Fed rate cuts, uncertainties about US election and Middle East conflicts.
- The ECB cut its benchmark rates by 0.25% as expected due to a souring growth outlook and inflation has cooled. Inflation increased by 1.7% in September, well below the ECB's 2% target. Market expected a 0.25% cut in December.
- The BOT voted 5-to-2 to lower its policy rate by 0.25%, from 2.50% to 2.25%. Thai bond yields dropped and SET index gained after the BOT's decisions. Most committee members voted cut to preserve financial stability and alleviate debt-servicing burden for borrowers, while economic and inflation outlook remained in-line with the central bank expectations.
- The BOT projected the Thai economy to expand at 2.7% and 2.9% in 2024 and 2025, respectively, driven by tourism, private consumption, government spending and exports.
- China indexes surged on Friday (October 18) after the PBOC kicked off CNY800 billion funding schemes to bolster stock market. In addition, the PBOC governor signaled that the central bank plans to lower commercial bank's reserve requirement ratio (RRR) by 25-50bps before the end of this year, cut 7-day reverse repo by 20bps, and cut medium term lending facility (MLF) by 30bps. On Monday morning (Oct 21) the central bank slashed the 1-year and 5-year loan prime rate (LPR) by 25bps, reflecting its attempt to stimulate economy to meet the 2024 growth target of 5%.
- China's economy expanded 4.6% YoY in 3Q24, exceeding expectations but slowing from 4.7% in 2Q24. There were some positive signs in September amid a persistent property downturn. Market expected China stimulus measures would gradually revive its economy.

Disclaimer

• The information contained in this document is correct and accurate at the time of publication, but does not provide any warranty of its accuracy. However, the Company reserves the rights to change any information, opinions and estimates contained in this document without giving prior notice.

• Investment contains certain risks. Investors should carefully study the fund prospectus before making investment decision. Past performance is not an indicative of future performance.

Should you have any queries, please contact Krungsri Asset Management Company Limited or selling agents or mutual fund sales representatives.

0-2657-5757

krungsriasset.clientservice@krungsri.com

www.krungsriasset.com



krungsriasset